The report of the Committee is available at the official website of the Ministry of Finance *(www.finmin.nic.in).*

Credit-deposit ratio in the North-East

1016. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the declining trend of CD ratio in North-East;

(b) if so, what are the reasons therefore; and

(c) whether Government propose to take some concrete measures to reverse the declining the trend in the CD ratio?

THE MINISTER OF STATE IN THE MINISTRY OF **FINANCE** (SHRI BALASAHEB VIKHE PATIL): (a) The Government of India and Reserve Bank of India (RBI) are seized of the problem of stagnant CD ratio in the North Eastern States.

(b) The reasons for this trend can be attributed to factors like law and order problems in the region, poor recovery of bank loans and resultant high NPAs, collateral problems due to peculiar land tenurial system in the North East, lack of adequate infrastructure, etc.

(c) The Union Finance Minister has taken a meeting with Chief Ministers of North Eastern States and senior government officials and senior bankers at Shillong on October 19, 2001 to discuss flow of credit to the North East where he has announced a Package of measures for augmenting credit flow to these States. These measures include increasing CD ratio in the North Eastern Region to bring it at par with the national average in three years, revised disbursement targets for banks for improving CD ratio in the Region, realignment of interest rates on loans, reschcdulemcnt of NPA accounts of State bodies, interest waiver on small NPA loans, thrust to SHG bank linkage, coverage of eligible farmers under the Kisan Credit Card (KCC) Scheme, improving performance under various government sponsored programmes and timely disposal of loan applications, etc.